

48-1d-701 Events causing dissociation.

A person is dissociated as a partner when:

- (1) the partnership has notice of the person's express will to withdraw as a partner, but, if the person specified a withdrawal date later than the date the partnership had notice, on that later date;
- (2) an event stated in the partnership agreement as causing the person's dissociation occurs;
- (3) the person is expelled as a partner pursuant to the partnership agreement;
- (4) the person is expelled as a partner by the unanimous vote or consent of the other partners if:
 - (a) it is unlawful to carry on the partnership's activities and affairs with the person as a partner;
 - (b) there has been a transfer of all of the person's transferable interest in the partnership, other than:
 - (i) a transfer for security purposes; or
 - (ii) a charging order in effect under Section 48-1d-604, which has not been foreclosed;
- (c) the person is a corporation and:
 - (i) the partnership notifies the person that it will be expelled as a partner because the person has filed a statement of dissolution or the equivalent, its charter has been revoked, or its right to conduct business has been suspended by the jurisdiction of its incorporation; and
 - (ii) not later than 90 days after the notification, the statement of dissolution or the equivalent has not been revoked or the charter or right to conduct business has not been reinstated; or
- (d) the person is an unincorporated entity that has been dissolved and whose business is being wound up;
- (5) on application by the partnership or another partner, the person is expelled as a partner by judicial order because the person:
 - (a) has engaged or is engaging in wrongful conduct that has affected adversely and materially, or will affect adversely and materially, the partnership's activities and affairs;
 - (b) has committed willfully or persistently, or is committing willfully or persistently, a material breach of the partnership agreement or a duty or obligation under Section 48-1d-405; or
 - (c) engaged or is engaging in conduct relating to the partnership's activities and affairs which makes it not reasonably practicable to carry on the partnership's activities and affairs with the person as a partner;
- (6) in the case of an individual:
 - (a) the individual dies;
 - (b) a guardian or general conservator for the individual is appointed; or
 - (c) a court orders that the individual has otherwise become incapable of performing the individual's duties as a partner under this chapter or the partnership agreement;
- (7) the person:
 - (a) becomes a debtor in bankruptcy;
 - (b) executes an assignment for the benefit of creditors; or
 - (c) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the person or of all, or substantially all, of the person's property;
- (8) in the case of a person that is a testamentary or inter vivos trust or is acting as a partner by virtue of being a trustee of such a trust, the trust's entire transferable interest in the partnership is distributed;
- (9) in the case of a person that is an estate or is acting as a partner by virtue of being a personal representative of an estate, the estate's entire transferable interest in the partnership is distributed, but not merely by reason of the substitution of a successor personal representative;
- (10) in the case of a person that is not an individual, corporation, unincorporated entity, trust, or estate, the existence of the person terminates;

- (11) the partnership participates in a merger under Part 10, Merger, Interest Exchange, Conversion, and Domestication, and:
 - (a) the partnership is not the surviving entity; or
 - (b) otherwise as a result of the merger, the person ceases to be a partner;
- (12) the partnership participates in an interest exchange under Part 10, Merger, Interest Exchange, Conversion, and Domestication, and, as a result of the interest exchange, the person ceases to be a partner;
- (13) the partnership participates in a conversion under Part 10, Merger, Interest Exchange, Conversion, and Domestication;
- (14) the partnership participates in a domestication under Part 10, Merger, Interest Exchange, Conversion, and Domestication, and, as a result of the domestication, the person ceases to be a partner; or
- (15) the partnership dissolves and completes winding up.

Enacted by Chapter 412, 2013 General Session